

BILL ANALYSIS

Senate Research Center

H.B. 1013
By: Romo (Barrientos)
Finance
06-27-95
Enrolled

BACKGROUND

Under current law, the Texas Department of Commerce, the Texas Higher Education Coordinating Board, and the Texas Agricultural Finance Authority may issue bonds in their own behalf, although they infrequently do so.

The Texas Public Finance Authority centralizes the issuance of bonds for a number of state agencies, resulting in potentially higher bond ratings for Texas and lower overall costs.

PURPOSE

As enrolled, H.B. 1013 places the authority to issue bonds on behalf of the Texas Department of Commerce, the Texas Higher Education Coordinating Board, and the Texas Agricultural Finance Authority in the hands of the Texas Public Finance Authority.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, agency or institution.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 9B, Article 601d, V.T.C.S. (Texas Public Finance Authority Act), as follows:

Sec. 9B. AUTHORITY TO ACT AS ISSUER. (a) Provides that the Texas Public Finance Authority (authority) has the exclusive authority to act on behalf of the Texas Department of Commerce, Texas Higher Education Coordinating Board, and the Texas Agricultural Finance Authority, among others, in issuing bonds on their behalf.

SECTION 2. Amends Article 601d, V.T.C.S., by adding Section 9D, as follows:

Sec. 9D. PARTICIPATION OF CERTAIN BUSINESSES IN ISSUANCE OF OBLIGATIONS. (a) Requires the authority to make an effort to overcome the underuse of historically underutilized businesses as businesses receiving contracts for the purchase of services and supplies used in connection with the issuance of obligations issued by the authority.

(b) Requires the authority to submit a comprehensive annual report to the governor detailing its use of historically underutilized businesses.

(c) Defines "historically underutilized business."

(d) Prohibits rules adopted under this section from being used to discriminate against any citizen on the basis of sex, race, color, creed, or national origin.

(e) Provides that this section does not create a new cause of action, either public or private.

SECTION 3. Amends Chapter 58D, Agriculture Code, by adding Section 58.041, as follows:

Sec. 58.041. BOND ISSUANCE BY TEXAS PUBLIC FINANCE AUTHORITY.

Requires the authority to exercise the authority of the board of directors of the Texas Agricultural Finance Authority (board) to issue bonds and refunding bonds. Subjects the authority to all rights, duties, and conditions with respect to issuance of bonds by the board.

SECTION 4. Amends Chapter 481A, Government Code, by adding Section 481.0091, as follows:

Sec. 481.0091. BOND ISSUANCE BY TEXAS PUBLIC FINANCE AUTHORITY. Requires the authority to exercise the authority of the Texas Department of Commerce (department) to issue bonds and refunding bonds. Subjects the authority to all rights, duties, and conditions with respect to issuance of bonds by the department.

SECTION 5. Requires the authority, with the assistance of the General Services Commission, to study the benefits to the state of purchasing certain property and issuing bonds for that purpose. Sets forth the boundaries of the property.

SECTION 6. Emergency clause.
Effective date: 90 days after adjournment.